



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
1919 M STREET, N.W.
WASHINGTON, D.C. 20554

News Media Information: (202) 418-0500
Fax-On-Demand: (202) 418-2830
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

DA 98-230
February 6, 1998

AUCTION OF LOCAL MULTIPOINT DISTRIBUTION SERVICE (LMDS) LICENSES

138 Qualified Bidders

Report No. AUC-17-G (Auction No. 17)

This Public Notice identifies the 138 applicants who have been found qualified to bid in Auction No. 17 for 986 Local Multipoint Distribution Service licenses, which is scheduled to begin on Wednesday, February 18, 1998. This Public Notice contains bidding instructions and other important information regarding the auction.

Attachment A lists each of the 138 qualified bidders. Attachment A also lists each qualified bidder's upfront payment and maximum eligibility in bidding units.

Attachment B lists the licenses that were listed on each qualified bidder's FCC Form 175. On Attachment B, an asterisk indicates that an applicant has filed an application that includes a waiver request.

Attachment C lists those applicants who submitted FCC Form 175 applications, but did not qualify to bid in this auction.

In order to participate effectively in the auction, qualified bidders should re-familiarize themselves with the auction rules and other information contained in the Bidder Information Package and the Public Notices released for this auction.¹ Additionally, today, the U.S. Court of

¹ See "Auction of Local Multipoint Distribution Service (LMDS) Licenses--Status of Applications to Participate in Auction," *Public Notice*, DA 98-141 (released January 27, 1998); "Correction to Public Notice DA-141, Status of Applications to Participate in LMDS Auction," *Public Notice*, DA 98-155 (released January 28, 1998); In the Matter of Auction of Local Multipoint Distribution Service (LMDS) Licenses--Minimum Opening Bid or Reserve Prices, *Order*, DA 98-66 (released January 14, 1998); "Wireless Telecommunications Bureau Responds to

Appeals for the District of Columbia Circuit denied petitions for review filed by several parties challenging the Commission's eligibility restrictions for local exchange carriers, including rural local exchange carriers, in the LMDS auction. *See Melcher v. Federal Communications Commission*, 1998 WL 44432 (D.C.Cir. 1998). The following information provides additional guidance.

Registration. Qualified bidders have been automatically registered for the auction. For security reasons, the Commission will confirm registration by two separate mailings of registration materials, both sent to the contact person at the address identified in the bidder's FCC Form 175. The two mailings will include the Bidder Identification Number, Login ID, Login Password and the FCC Account Number. The second mailing will include the remote bidding system software, if ordered. Additional information will be included in both mailings, including other general information. Upon receipt of both mailings, each bidder should be in possession of the following information:

- FCC Account Number (as assigned by FCC)
- Bidder Identification Number (supplied by FCC mailing)
- Login ID (supplied by FCC mailing)
- Login Password (supplied by FCC mailing)
- Remote bidding system software, if ordered (supplied by FCC mailing)

It is each applicant's responsibility to ensure the security of their bidding codes and to ensure that only authorized bidders place bids on their behalf. The FCC assumes no responsibility or liability for applicant's ensuring the security of their computer system or ensuring the security of their bidding codes and that only authorized bidders place bids on their behalf.

WARNING: Any unauthorized person or entity accessing or tampering with an FCC or other government computer will be prosecuted to the full extent of the law.

Any applicant listed as a qualified bidder in Attachment A to this Public Notice who has not received both registration mailings by noon on Thursday, February 12, 1998, should contact the FCC at 888-225-5322. Callers should press option number 2 at the prompt for auction inquiries,

Questions About the Local Multipoint Distribution Service Auction," *Public Notice*, DA 98-37 (released January 9, 1998); "FCC Announces Spectrum Auction Schedule for 1998," *Public Notice*, DA 97-2497 (released November 25, 1997); "Opportunity for Reply Comments on Reserve Prices or Minimum Opening Bids for LMDS Auction Extended," *Public Notice*, DA 97-2420 (released November 18, 1997); "LMDS Auction Postponed Until February 18, 1998--FCC Postpones Auction No. 17," *Public Notice*, DA 97-2352 (released November 10, 1997); "Comments Sought on Reserve Prices or Minimum Opening Bids for LMDS Auction," *Public Notice*, DA 97-2224 (released October 17, 1997); "Auction of Local Multipoint Distribution Service," *Public Notice*, DA 97-2081 (released September 25, 1997). *See also* In the Matter of Rulemaking to Amend Parts 1, 2, 21, and 25 of the Commission's Rules to Redesignate the 27.5-29.5 GHz Frequency Band, To Reallocate the 29.5-30.0 GHz Frequency Band, To Establish Rules and Policies for Local Multipoint Distribution Service and for Fixed Satellite Services, CC Docket No. 92-297, *Second Order on Reconsideration*, FCC 97-323 (released September 12, 1997).

and ask to speak to Kathy Garland. It is each applicant's responsibility to ensure that all registration information has been received on time.

Lost Login IDs, Login Passwords and Bidder Identification Numbers can be replaced only at the FCC Auction Headquarters, located at 2 Massachusetts Avenue, N.E., Washington, D.C. If replacement is necessary, either an authorized representative or the certifying official (as designated on the applicant's FCC Form 175) must appear in person with two forms of identification, one of which must be a photo identification.

Electronic Bidding Software. In order to bid electronically, each qualified bidder, who filed its FCC Form 175 electronically, must purchase the Commission's electronic bidding software. This software has been updated for the LMDS auction. Bidders are advised to review the software manual included in the registration materials and participate in the mock auction to become familiar with this software. For software backup, bidders are advised to duplicate the software for use by authorized representatives at different locations. However, the FCC Remote Bidding System will not accept electronic bids from qualified bidders who are not registered purchasers of the bidding software.

Bidding Contingency Plan. Bidders should develop comprehensive contingency plans they can implement quickly in case they experience difficulty participating in the auction. The FCC will correct any problems within Commission-controlled facilities. Bidders are solely responsible for anticipating and overcoming problems such as bidder technical failures, local telephone service interruptions, adverse local weather conditions, unavailability of authorized bidders, or loss of confidential security codes.

The FCC Remote Bidding System requires access to a 900 service telephone line. Bidders should verify in advance that the telephone systems they will be using to submit electronic bids permit access to 900 service telephone numbers, and should consult their telephone administrators if they need assistance.

All filers, manual and electronic, will be supplied with a telephone number for telephonic bidding in their registration packet. This number can also be used by electronic bidders as an alternate method of bidding in the event they are not able to submit their bids electronically.

Bidding Schedule. The bidding schedule for Wednesday, February 18 will be:

Bidding Period	9:00 a.m	-	11:00 a.m. ET
Round Results	11:00 a.m	-	11:30 a.m. ET
Bidding Period	2:00 p.m	-	4:00 p.m. ET
Round Results	4:00 p.m	-	4:30 p.m. ET

The bidding schedule for Thursday, February 19 through Friday, February 20, will be:

Bidding Period	9:00 a.m	-	10:00 a.m. ET
Round Results	10:00 a.m	-	10:30 a.m. ET
Bidding Period	2:00 p.m	-	3:00 p.m. ET
Round Results	3:00 p.m	-	3:30 p.m. ET

The FCC will set the pace of the auction based upon its monitoring of the bidding and its assessment of the auction's progress. Generally, at the end of each week of the auction, the FCC will announce the bidding schedule for the following week.

Minimum Opening Bids. There will be a minimum opening bid in the LMDS auction. See In the Matter of Local Multipoint Distribution Service (LMDS) Licenses --Minimum Opening Bids or Reserve Prices, *Order*, DA 98-66 (released January 14, 1998). The minimum opening bids will be set using the revised formulas specified in the *Order* as set forth for each license in Appendix B, and are subject to reduction at the discretion of the FCC. Bidders should be aware, however, that the FCC will not entertain requests to lower minimum opening bids. The agency will exercise its discretion, if at all, independent of any communications from bidders.

Messages and Announcements. The FCC will post pertinent auction information as messages and announcements on the FCC Remote Bidding System, on its Internet site and on its Bulletin Board System (BBS). Bidders should check for messages and announcements each time they enter the Remote Bidding System, and should read this information carefully.

Bidder Questions during the Auction. FCC auction officials and technical support staff will be available during the course of the auction to answer questions from bidders. Bidders should identify themselves as a bidder with time sensitive auction questions when calling any number. Help can be obtained through the following telephone numbers:

FCC Bidder Line	Use telephonic bid number supplied in registration mailing
FCC Auctions Division (legal questions)	202-418-0660
FCC Technical Support Hotline	202-414-1250

Monitoring Round Results. Attachment D to this Public Notice provides instructions for reviewing and downloading round results, and other material related to the LMDS auction released by the Commission during the course of the auction.

Auction Tracking Tool. A software tool for tracking the progress of the auction will be made available on Tuesday, February 17, 1998 via the Internet at <http://www.fcc.gov/wtb/auctions/lmds> and the FCC Auctions Bulletin Board System. Bidders wishing to familiarize themselves with the tracking tool software are encouraged to try the tracking tool software for the 800 MHz SMR auction at <http://www.fcc.gov/wtb/auctions>. This tool cannot be used for the LMDS auction but has similar functionality and provides a useful tool for practice.

The tracking tool is a Microsoft © Excel™ v5.0 WorkBook, which runs on Microsoft Windows™ v3.1, Windows for WorkGroups™ v3.11, and Windows 95. With this auction tracking tool, bidders can import round results and analyze the bidding in the auction. Technical support for the tracking tool can be obtained by calling the FCC Technical Support Hotline. Please review the information included with the tracking tool README file thoroughly before calling technical support.

User Requirements. This software is not designed for novice computer users. To be used effectively, you must have extensive experience with:

- * Microsoft Windows
- * Microsoft Excel v5.0
- * the FCC simultaneous multiple-round auction format

Software and Hardware Requirements. At a minimum, you will need the following:

- * Microsoft Windows v3.1+, Windows for WorkGroups 3.11 or Windows 95
- * Microsoft Excel v5.0 or later
- * 8MB of available hard disk space
- * 16MB of RAM and a Pentium™ based processor are highly recommended

Amendments to FCC Form 175s. Applicants are responsible for the continuing accuracy and completeness of information furnished in their FCC Form 175 and its exhibits. *See* 47 C.F.R § 1.65. It is the staff's position that applicants should amend their applications within ten business days from the occurrence of a reportable change. Filers should make modifications to their FCC Form 175s electronically, and submit a letter briefly summarizing the changes to:

Kathleen O'Brien Ham
Chief, Auctions & Industry Analysis Division
Wireless Telecommunications Bureau
Federal Communications Commission
Washington, D.C. 20554

with a courtesy copy to Mark Bollinger and Christina Clearwater either sent to the same address or faxed to 202-418-2082.

As described in the Commission's rules, applicants may make only minor corrections to their FCC Form 175 applications; major modifications (*e.g.*, changing the markets applied for, changing control of the applicant, changing the certifying official or signing a manual application) will not be accepted. *See* 47 C.F.R. § 1.2105(b).

Mock Auction. The FCC will conduct a mock auction on Friday, February 13, 1998, to allow bidders to familiarize themselves with the electronic bidding software and the new bidding procedures. Telephonic bidding will also be available during the mock auction. Participants wishing to place telephonic bids should use the telephone number supplied in the registration materials for the auction. The mock auction will be open only to qualified bidders. Pre-registration is not required to participate in the mock auction.

This mock auction will include all 986 LMDS licenses, and will follow the rules governing the LMDS auction. The mock auction will be identified as Auction No. 74. The program will assume that each bidder applied for all 986 licenses and submitted upfront payments of \$100,000,000.00, corresponding to 100,000,000 bidding units. The auction will simulate the start of Stage One, so bidders will be required to be active on at least 60 percent of their bidding units, or risk having a waiver automatically applied unless bidding eligibility is reduced.

The mock auction will consist of 4 rounds, with the following schedule:

Bidding Period	9:00 a.m. - 10:00 a.m. ET
Round Results	10:00 a.m. - 10:30 a.m. ET
Bidding Period	11:00 a.m. - 12:00 p.m. ET
Round Results	12:00 p.m. - 12:30 p.m. ET
Bidding Period	2:00 p.m. - 3:00 p.m. ET
Round Results	3:00 p.m. - 3:30 p.m. ET
Bidding Period	4:00 p.m. - 5:00 p.m. ET
Round Results	5:00 p.m. - 5:30 p.m. ET

Eligible LMDS bidders who wish to participate in the mock auction using electronic bidding must establish a PPP connection to the FCC Auction Network through either a 202-area-code number or a 900 number, as selected through the mock auction software. (The FCC encourages participants to test their ability to connect using the 900 number, in order to identify any potential problems such as a 900-number telephone block. There will be no access charge for the first minute of the 900-number connection time.)

When participants establish the PPP connection and start the Mock Bidding System, they will register for the mock auction by entering their FCC Account Number. The Login names, Login passwords, and Bidder Identification Numbers (BINs) will be pre-filled. Note: Pre-filled

codes are for the mock auction only. For the actual LMDS auction, valid login codes and BINs will be mailed to qualified bidders with their registration materials.

Remote bidding software for the mock auction will be available via the FCC's Internet and Bulletin Board System beginning February 11, 1998. *See* Attachment E for downloading instructions. This software is specifically designed for this simulation, and is not adaptable to any other FCC spectrum auction. As part of the software, the Commission has established a suggestion box and welcomes your comments regarding the software.

MULTIPLE INCREMENT BIDDING

As previously announced, the FCC has enhanced the bid entry screen of the Automated Auction System software for the LMDS auction to allow bidders to place multiple increment bids.² In the recently completed 800 MHz SMR auction, the Commission introduced click box bidding whereby bidders were limited to increasing high bids by only a single bid increment. The revised system allows bidders to increase high bids by up to nine bid increments.

To place a bid on a license, the bidder must simply enter a whole number between **1** and **9** in the bid increment multiplier (Bid Mult) field. This value will determine the amount of the bid (Amount Bid) by multiplying the bid increment multiplier by the bid increment and adding the result to the high bid amount according to the following formula:

Amount Bid = High Bid + (Bid Mult * Bid Increment).

Thus, bidders may place a bid that exceeds the standing high bid by between one and nine times the bid increment. For example, to bid the minimum acceptable bid, which is generally equal to one bid increment, a bidder will enter "1" in the bid increment multiplier column and press submit.

For any license on which the FCC is designated as the high bidder (*i.e.*, a license that has not yet received a bid in the auction or where the high bid was withdrawn and a new bid has not yet been placed), bidders will be limited to bidding only the minimum acceptable bid. In both of these cases no increment exists for the licenses, and bidders should enter 1 in the Bid Mult field. Note that any number between **1** and **9** entered in the multiplier column will result in a bid value at the minimum acceptable bid amount, as there are no multiple increments in this instance.

Bidders should note that this enhancement does not change any round result reports or affect any software screens other than the bid module. The import function will be modified to allow multiple increment bids to be imported into the software. The procedures for multiple increment bidding will be included in the software manual mailed out as part of the qualified bidder registration package, and the multiple increment function will be part of the mock auction software.

² "Auction of Local Multipoint Distribution Service (LMDS) Licenses--Status of Applications to Participate in Auction," *Public Notice*, DA 98-141 (released January 27, 1998).

OTHER IMPORTANT INFORMATION

Windows 95 Compatibility: The FCC now officially supports Windows 95 for the Remote Bidding System. Please be advised that the FCC Remote Bidding System has not been tested in a Macintosh, OS/2, or Windows NT environment. Therefore, the FCC will not support operating systems other than Microsoft Windows 3.1, Windows for Workgroups 3.11, or Windows 95. This includes any other emulated Windows environment.

Bid Submission Advisory: Once the auction commences, applicants are reminded to be careful to verify their bids prior to submission to avoid mistakes. Normally, a bidder that withdraws a high bid during the course of an auction is subject to a withdrawal payment. *See* 47 C.F.R. § 1.2104(g)(1). Bidders therefore should pay close attention to their bids and utilize all available safeguards to ensure that bids are not submitted in error. Once a bid is submitted, bidders are fully responsible for the consequences of any errors they make, unless relief is granted.

Long-Form Applications: Applicants should be aware that at the long-form application stage, they will be subject to the more extensive reporting requirements contained in the newly adopted Part 1 ownership disclosure rule. *See* 47 C.F.R. § 1.2112; Amendment of Part 1 of the Commission's Rules -- Competitive Bidding Procedures, WT Docket No. 97-82, Allocation of Spectrum Below 5 GHz Transferred from Federal Government Use 4660-4685 MHz, ET Docket No. 94-32, *Third Report and Order and Second Further Notice of Proposed Rule Making*, FCC 97-413, 63 Fed. Reg. 2315 (1998).

For additional information regarding this Public Notice, please contact Mark Bollinger, Christina Clearwater or Ruby Hough, Auctions & Industry Analysis Division, Wireless Telecommunications Bureau, at 202-418-0660.